

STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF PUBLIC ASSISTANCE

SARAH PALIN, GOVERNOR

FAMILY NUTRITION PROGRAMS - WIC

130 Seward Street, Room 508

P.O. BOX 110612

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PHONE: (907) 465-3100 FAX: 465-3416

August 9, 2007

To Authorized Alaska WIC Vendors:

RE: Changes to WIC Warrant Processing Requirements
& Amendments to Vendor Agreement

Please read the enclosed information very carefully. It explains changes to your WIC vendor agreement and the way WIC warrants will be processed for payment beginning ~~November~~1, 2007, in order to comply with federal requirements.

These changes will automatically be incorporated into your WIC Vendor Agreement for the remainder of the contract period that ends September 30, 2009. If your store cannot, or does not wish to, comply with the amended Vendor Agreement provisions, you must notify the State WIC agency by August 31, 2007. Your WIC vendor agreement will be terminated if you cannot comply with all terms of the agreement. If you have any questions about this process, please contact WIC vendor staff at (907) 465-3100.

The following changes are being implemented September 1, 2007:

1) Change to the "Not to Exceed" amount on WIC warrants:

WIC warrants will have **"Not to exceed \$200"** printed in the upper left corner above the signature line, instead of the current \$150 not to exceed amount. Any warrant deposited by a vendor that exceeds the \$200 limit will not be paid.

Please note that even though all WIC warrants have the \$200 Not to Exceed amount printed on the front, every type of WIC warrant also has a maximum authorized payment amount that is based upon the specific WIC foods listed on the warrant and the Peer Group to which the vendor is assigned. For example, a WIC warrant that lists 2 dz eggs and 2 - 46 oz cans of juice will have a higher authorized payment amount for a small store in Kotzebue than for a large store in Anchorage, due to regional factors that affect pricing. The authorized payment amounts are recalculated every week to adjust for rising or falling prices, but they are not published or printed on the warrants. In the following pages, the references to "exceeding authorized amount" refer to the warrant price exceeding the amount authorized for that specific type of WIC warrant for the vendor's Peer Group, not the \$200 limit printed on the warrant.

2) Shorter time period to deposit WIC warrants:

The period of time for vendors to deposit WIC warrants accepted at their stores is being shortened in order to comply with federal requirements. **Vendors will have sixty (60) days from the first Valid Date printed on the warrant to deposit WIC warrants.** The date by which a warrant must be deposited is automatically

calculated based on the valid dates and is printed on the warrant below the box for the Vendor Number Stamp.

3) WIC warrants will be reviewed prior to payment and certain errors will cause payment to be rejected: The following pages describe the process that will be used by Keybank and the Alaska WIC program for reviewing WIC warrants for payment. **These instructions, and sample forms, should be maintained with your WIC Vendor Manual and Agreement.** Please review warrant processing procedures with your cashiers. It is important for correct procedures to be followed in order to minimize the number of warrants returned due to errors. For instance, items listed on each warrant must be rung up separately and the appropriate total price written on the warrant; if additional items or items from other WIC warrants are included in the total, the warrant may be rejected for exceeding the maximum allowable payment amount.

4) Pink Dollar Change Slips and Monthly Reports are not required after September 1, 2007: Due to the warrant processing changes being implemented in September, the WIC program has determined vendors will no longer be required to submit Dollar Change Slips to document the reasons for changes to the dollar amounts on WIC warrants. However, WIC recommends that managers review or monitor changes made by cashiers to amounts of sale on WIC warrants. If changes are made to warrant prices in a way that does not follow required procedures, the warrants will be rejected. For instance, writing over a "3" to change it to an "8" is considered an "alteration" and the warrant will not be paid. The correct procedure is: 1) Draw a line through the incorrect amount so it may still be read; 2) Clearly write the correct amount next to it; and 3) Be sure the correction is initialed by the cashier or manager.

Additional amendments to your WIC Vendor Agreement include the following:

Change to Infant Formulas Authorized for WIC

- Eff. 10/1/07, Ross Products, Division of Abbott Laboratories, will be the supplier of the standard infant formulas authorized by the Alaska WIC program
- The most commonly used formulas will be:
 - Similac Advance with iron (powder, concentrate and ready-to-use)
 - Similac Isomil Advance (powder, concentrate and ready-to-use)
 - Similac Sensitive (powder, concentrate and ready-to-use)

Minimum Stock Requirements Revised, effective 10/1/07 (see attached list)

We hope to have the revised WIC Vendor Manual posted on the WIC website by early September. As soon as funding permits, we will print and distribute revised Vendor Manuals to all authorized WIC vendors. In the meantime, if you have questions or need further information, please contact the Vendor Management section at (907) 465-3100.

Sincerely,



Christine Blanchfield
WIC Vendor Coordinator

Encl: Vendor Instructions for Warrant Payment or Reimbursement
Sample WIC Vendor Reimbursement Statement
Request Form for WIC Warrant Electronic Reimbursement Payment
Revised Minimum Stock Requirements
List of Vendor Manual Revisions

WIC Vendor Instructions for Warrant Payment or Reimbursement

Alaska WIC warrants returned to vendors unpaid due to error conditions:

The State of Alaska WIC program has authorized its vendor, Keybank, to return WIC warrants unpaid if certain error conditions apply. Some conditions do not allow redeposit of the warrant and the vendor will not be paid for them. Other error conditions may be corrected by the vendor and the corrected warrant may be deposited a second time. The Return Reason will be stamped on the front of the warrant as described in the list below:

Return Reason Stamped on Returned Warrant	DESCRIPTION
1. Missing Authorized Vendor Stamp	WIC warrant is missing vendor stamp
2. Invalid Vendor Stamp/Number – DO NOT REDEPOSIT	Vendor stamp or number is not authorized by the State of Alaska
3. Altered Vendor Stamp – DO NOT REDEPOSIT	Vendor Stamp/Number has been altered
4. Illegible Vendor Stamp/Number	Vendor Stamp/Number cannot be read – is illegible
5. Missing Signature – DO NOT REDEPOSIT	Signature of participant is missing
6. Other Alterations – DO NOT REDEPOSIT	Alterations to other elements of the warrant
7. Stale Date/Expired Date – DO NOT REDEPOSIT	Warrant was deposited after the last date allowed
8. Exceeds Authorized Amount – DO NOT REDEPOSIT	Actual amount of sale exceeds authorized amount set by Alaska WIC
9. Altered Price – DO NOT REDEPOSIT	Actual amount of sale has been altered or changed
10. Missing Price – DO NOT REDEPOSIT	Actual amount of sale not recorded in designated box – missing
11. Altered Signature – DO NOT REDEPOSIT	Signature of participant has been altered or changed
12. Altered Date – DO NOT REDEPOSIT	Valid dates have been altered or changed
13. Transaction Date Not Valid – DO NOT REDEPOSIT	Transaction date not between valid dates or is missing
14. Future Date – DO NOT REDEPOSIT	Date deposited by vendor is prior to Valid First Date of warrant
15. Canceled Vendor Number – DO NOT REDEPOSIT	Vendor Number Canceled or Withdrawn by Alaska WIC
16. Void – DO NOT REDEPOSIT	Warrant should have not been issued to participant
17. Refer To Maker – DO NOT REDEPOSIT	Refer directly to Alaska WIC. Warrant may have been deposited more times than allowed and vendor should contact Alaska WIC if there is a question.
18. MICR Discrepancy	The amount encoded (Magnetic Ink Characters read) by the depositing bank does not agree with the amount in the actual amount of sale box. Depositing bank should re-qualify the encoded amount with correct amount and re-deposit the item.

Please NOTE: All vendor stamps or any writing (amount, signature, transaction date) should be in BLACK ink ONLY. Other ink colors may not show up well and could cause warrants to be returned unpaid.

Error conditions that may be corrected and warrant redeposited:

Warrants returned for the errors 1, 4 and 18 in the list above may be corrected and deposited again, (i.e. a second presentment is allowed and the warrant may be paid). Correct the error conditions as instructed below and redeposit to vendor's bank if stamped with the following return reasons:

Missing Vendor Number – Stamp the authorized Vendor Number clearly in black ink and redeposit

Illegible Vendor Number – Stamp the authorized Vendor Number clearly in black ink and redeposit

MICR Discrepancy - WIC Warrants returned for MICR Discrepancy can be redeposited with the correct amount. The MICR Encoded Amount in the lower right corner of the WIC warrant was encoded incorrectly by the vendor's depositing bank. This field needs to be corrected with the amount of the actual sale. The vendor's bank should be able to correct this by putting a sticker over the current encoded amount and encoding the correct amount on the new sticker. The vendor's depositing bank can then reprocess the warrant for the vendor.

If the WIC warrant is presented to KeyBank a second time still missing or with an illegible vendor stamp, the item will be returned to vendor's bank of deposit with the reason and the words "Do Not Redeposit" stamped on the warrant.

WIC Vendor Instructions for Warrant Payment or Reimbursement

Error conditions that CANNOT be corrected by vendor – (warrant will not be paid):

Items returned for reasons other than 1, 4 and 18 in the list above cannot be redeposited, i.e. the warrants are not allowed a second presentment. They will be stamped with the return reason and the words "Do Not Redeposit". However, for certain error conditions, vendors may submit a request for reimbursement as explained below.

Reimbursement request process for items returned unpaid for the following reasons:

The following conditions are the only conditions allowed by Alaska WIC for the vendor to request a reimbursement payment after a warrant has been returned unpaid.

VENDOR NUMBER PROBLEMS:

Missing Authorized Vendor Stamp
Invalid Vendor Stamp/Number
Illegible Vendor Stamp
Canceled Vendor Number

DATE PROBLEMS:

Stale Date/Expired Date
Transaction Date Not Valid

OTHER PROBLEMS:

Altered Price
Void
Refer To Maker

To request reimbursement for a returned warrant, vendors should use the **Request Form for WIC Warrant Electronic Reimbursement Payment** and mail to the address below within 90 days from the First Valid Date of the WIC warrant. A sample form is enclosed; please make additional copies as needed.

Mail Reimbursement Request Forms to:

Key Client Services
NY-31-17-0170
AK Reimbursement
17 Corporate Woods Blvd.
Albany, New York 12211

All WIC warrants that are sent to KeyBank requesting reimbursement for reasons other than the conditions listed above, may not be paid and may appear on the statement as a zero dollar (\$0.00) transaction.

All WIC warrants that are presented to KeyBank past the allowable time frame for processing will be returned to the vendor indicating KeyBank could not process the WIC warrants for reimbursement.

Auto reimbursement for warrants returned for exceeding authorized amount:

Warrants returned for "Exceeds Authorized Amount" will NOT require the vendor to redeposit or submit a request for reimbursement payment. An auto reimbursement payment will be calculated for the maximum amount allowed for the vendor's peer group and specific type of WIC warrant. An Automated Clearing House (ACH) credit will be posted to the vendor's bank of deposit and account set up with Alaska WIC. The vendor will receive a reimbursement statement as described below.

Reimbursement Statements issued to vendors by Keybank:

Once the item is received by KeyBank, the request for reimbursement will be sent electronically to the Alaska WIC Program. They will review the reimbursement request and determine if the warrant is allowed to be paid and for what amount. WIC staff may request additional documentation from the vendor depending on the reason for the reimbursement request, the requested amount or the dates. Once each week KeyBank will process all the reimbursement payments approved by Alaska WIC. These payments will be made as Automated Clearing House credits to the vendor's bank account on file with Alaska WIC. A detailed Reimbursement Statement will be created by KeyBank, detailing the items being reimbursed, the requested amount, the payment amount and a grand total amount that will be posted on the vendor's bank account. The reimbursement statement will be mailed to the address that the vendor has set up with Alaska WIC. An example of a reimbursement statement is attached.

Below is an example of a WIC Vendor Reimbursement Statement:

WIC VENDOR REIMBURSEMENT STATEMENT

TO: PATH #608
200 St
Carteret NJ 07008

VENDOR NUMBER: 050670
STATEMENT DATE: 07/17/2007

BATCH NUM	CHECK NUMB	INPUT DATE	REJECT CODE-1	REJECT CODE-2	REQUEST AMOUNT	ACTION CODE-1	ACTION CODE-2	REPYMT AMOUNT
	619206322	07/17/07	10	00	3.19			3.19
	619265569	07/17/07	08	00	2.69			2.47
	619265570	07/17/07	08	00	2.69			2.47
	619283594	07/17/07	08	00	6.98			6.17
	619303069	07/17/07	08	00	2.69			2.47
	619403981	07/17/07	24	00	.00	08	00	.00
	619409590	07/17/07	08	00	2.69			2.47
	619435297	07/17/07	08	00	18.64			17.32
	620348260	07/17/07	08	00	6.98			6.17

ORIGINAL REJECT CODE DEFINITIONS

10 ALTERED PRICE
08 EXCEEDS AUTHORIZED AMOUNT
24 FUTURE / POST DATED

ACTION CODE DEFINITIONS

08 REIMBURSEMENT NOT ALLOWED

VEND TOTAL: 1 VEND DETAIL TRANS: 9 VEND TOTAL: 42.73

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YOUR CHECKING ACCOUNT NUMBER 9392 AT Bank of
WILL BE CREDITED FOR \$42.73 VIA ELECTRONIC FUNDS TRANSFER.

REQUEST FORM FOR WIC WARRANT ELECTRONIC REIMBURSEMENT PAYMENT

Key Client Services
17 Corporate Woods Blvd.
NY-31-17-0170 – AK Reimbursement
Albany, New York 12211

Dear KeyBank WIC Processing:

The enclosed WIC Warrant(s) cannot be processed through the banking system and I am requesting reimbursement from the State of Alaska WIC Program. I am providing the following information as requested:

PLEASE DO NOT TAPE OR STAPLE CHECKS TO FORM.

Vendor Number: _____ Date of Request: _____

Store Name (Please Print) : _____

Address: _____

Name of person submitting request: _____

Phone #: (_____) _____

WIC WARRANT NUMBER	AMOUNT	REASON FOR REQUEST

Total number of WIC Warrants submitted for Reimbursement: _____.

Comments: _____

Sincerely,

(signature)

List of Revisions to Alaska WIC Vendor Manual:

<u>Page</u>	<u>Description of Change(s)</u>
2-3	Compliance with Food Stamp Program – now requires that all WIC vendors, except pharmacies, must be authorized to participate in the USDA Food Stamp Program and be in good standing.
4-1	WIC Infant Formulas – Effective Oct. 1, 2007, the WIC infant formula contract will be with Ross Products, Division of Abbott Laboratories, (instead of Mead Johnson). The most commonly used infant formulas will be Similac Advance with iron, Similac Isomil Advance and Similac Sensitive, (powder, concentrate and ready-to-use). Information about Ross formulas is available on the company's website at: http://www.ross.com/productHandbook/default.asp WIC will provide additional information about ordering Ross formulas as it becomes available.
4-4	WIC Stock Requirements for Pharmacies – pharmacies are only authorized to provide special infant formulas and medical foods to WIC participants when authorized on their WIC warrants. Pharmacies are not required to comply with the minimum stock requirements of other WIC foods or regular contract infant formulas.
4-5	Required Minimum Stock of WIC Foods has been revised with a Nov. 1, 2007 effective date; (copy enclosed with the August 9, 2007 mailing to vendors).
5-1	WIC Warrants – During August 2007, warrants will start to be printed and appear in stores with the following changes: - Not to Exceed \$200 (instead of \$150) - Warrants must be deposited within 60 days from First Valid Date to Use; the date by which each warrant must be deposited is printed on the front of the warrant below the Vendor Stamp box.
5-2	Cashier Instructions for Accepting Alaska WIC Warrants #4 – change the reference to the “not to exceed” limit from \$150 to \$200 #8 – If an error is made when writing the amount of sale on a warrant, draw a single line through the incorrect amount and write the correct amount next to it. The cashier or manager must initial the change. (WIC customers are no longer required to initial the change, but they should not sign the warrant until after the correct amount of sale has been entered; if already signed before the error is discovered, participant may still initial the correction.)
5-3 to 5-5	Delete sections about Changed Dollar Amount Slips and Monthly Reports – they are no longer required after Sept. 1, 2007. Insert new section “Vendor Instructions for Warrant Payment or Reimbursement” (enclosed) that explains error conditions that will cause warrants to be returned by the bank unpaid and the procedures for vendors to request reimbursement for such warrants.

Please keep this information with your WIC Vendor Manual. It describes changes to WIC vendor requirements and warrant procedures.

The State WIC Program plans to post the updated Vendor Manual on the Alaska WIC website by early September 2007. For further information, please contact the WIC Vendor Management section at (907) 465-3100.